

DIPLOMA IN EUROPEAN BUSINESS AND ECONOMICS

Module Description INTERNATIONAL BUSINESS: A EUROPEAN PERSPECTIVE

Total contact hours	45
ECTS	5 (6 UC credits)
Taught by	Prof. Dr. Daniel Díaz Fuentes –Coordinator-
Learning goals related to	<p>Technical Competence:</p> <p>Activities and results of large enterprises depend on the decisions and strategies adopted by corporations and industries, as well as those taken by the government and institutions set in a regional, national and international context. Economics is one of the most important approaches to business.</p> <p>Methodological Competence:</p> <p>This course will take an analytical approach to Economics but there will be a strong focus on applications and case studies in both the classroom and the course work..</p> <p>Social Competence:</p> <p>Students should be prepared to participate in class. There will also be at least two group projects.</p> <p>Personal Skills:</p> <p>The course will consist of lectures on the basic material coupled with examples (Managerial implication – Business – Country and European focus) and case studies and an applied problem set for each section to develop analytical skills.</p>
Content	<p>This course presents theoretical and practical instruments that are necessary in order to understand and analyse the global economy where firms operate and adopt decisions. This course is oriented to provide instruments and analytical skills of the economic and institutional factors that condition business and industrial strategies in the international context.</p> <p>I. Globalization of markets and production International Trade. Foreign Direct Investment. Multinational enterprises in the global economy.</p> <p>II. International Trade: patterns and theories: Inter-industrial and intra-industrial trade. Global and intra-regional trade. Trade in services. Asian expansion. Technological innovation and IPR. Comparative advantages. New Trade theories. National competitive advantages.</p> <p>III. International Trade: polices and strategies: Cost benefit analysis. Instruments of trade policies (tariffs, subsidies, quotas, VER, dumping. Trade barriers and firm strategies.</p>

	<p>IV. International Trade: World Trade System: GATT-WTO: liberalization, principles and practice. TRIPs, the role of innovation and intellectual property rights for global business. GATS: new approaches and perspectives for service trade. Trade-Related Investment Measures. Government Procurement. Dispute settlement. Doha Agenda.</p> <p>V. Regional Economic Integration: Regional Integration Agreements: Free Trade Area, Custom Union, Common Markets, Economic and Monetary Unions. From old to new regionalism. Regional experiences: UE, MCCA, NAFTA, MERCOSUR, FTTA, ASEAN, APEC, regional blocs in Africa. Bilateral Agreements: spoke & hub model.</p> <p>VI. Foreign Exchange Market Function of the FEM: currencies and PPA. Economic theories and ER forecasting; prices, interest, investor expectations, bandwagon effects and exchange rates. Convertibility and policies. Exchange rate regimes. The role of the IMF. Managerial implications.</p> <p>VII. Foreign Direct Investment: trends and theories Trends and direction of FDI. Forms: Greenfield and Merger & acquisitions. OLI paradigm. Horizontal and vertical FDI: Transportations cost, internationalization, strategic behaviour, location specific advantages, market imperfections. The shift towards services.</p> <p>VIII. Foreign Direct Investment: policies and strategies Political economy of FDI and TNC. Cost – Benefit Analysis for countries – regions and firms. Government and Firm strategies: the nature of negotiation and bargain power. The rise of FDI in regulated network industries: transports, telecommunications and electricity.</p> <p>IX. Privatization Regional experience: Western Europe. Transitional Economies. Latin America. The role of the international institutions and the European Union.</p> <p>X. The new Transnational corporations The emerging TNC: strategies of the firms. The European regulation of utilities and networks. The regulation of TNC in utilities in other regions: the strategies of the governments at local and global level.</p>
<p>Teaching material</p>	<ul style="list-style-type: none"> ▪ Basic: <i>International Business: competing in the global market place</i>, Charles Hill, McGraw-Hill. 2005 - <i>International Economics: Theory and Policy</i> (6th Edition): Pearson Addison Wesley; (2002) ISBN: 0201770377 - <i>Privatization in the European Union, Public Enterprise and integration</i>, Cliffton, J. Comin, F. and Diaz Fuentes, Kluwer, 2003 - <i>Transforming Public Enterprises in Europe and the Americas</i>, Cliffton, J. Comin, F. and Diaz Fuentes, Palgrave-Macmillan, 2006 - <i>World Investment Report, the shift towards services</i>, UNCTAD, 2003 - Cases such as Bombardier: Canada vs. Brazil at the WTO Revision Date: May 8, 2003: Alfaro, L., Brett Laschinger, Rawi Abdelala. India's Intellectual Property Rights Regime and the Pharmaceutical Industry: Yasheng Huang, Harold F. Hogan Jr. Life, Death, and Property Rights: The Pharmaceutical Industry Faces AIDS in Africa Publication Date: Jun 13, 2002 Revision Date: Feb 25, 2003:

	Debora Spar, Nicholas Bartlett.
Teaching methods	<ul style="list-style-type: none"> Lecture discussion based on bibliography and Case Studies. Online-Videos. Small-group discussions. The lecture notes are also supplemented with weekly problem sets and readings from the business press (<i>Financial Times, The Economist, Fortune, Business Week, etc. available at ABlinform</i>)
Assessment	Student's presentations – dissertation based on bibliography.

Workload	Contact hours:	45
	Preparation and follow up of lectures:	20
	Student's paper:	20
	Presentations:	20
	Preparation for a final written assignment:	20
International aspects	<ul style="list-style-type: none"> This course provides a framework for understanding international economic issues in the global business. 	
Cross-cultural reference	<ul style="list-style-type: none"> The course offers comparison between different country and regional experiences and policies on Trade, FDI, Privatization, TNC (Transnational Corporations, Exchange Rate regimes) in Europe, the Americas and other regions. 	
Course language	<ul style="list-style-type: none"> Spanish and English 	
Integration of business partners	<ul style="list-style-type: none"> Participation of Managers of TNC in network industries such as ENEL Viesgo, EDP Hidrocantábrico – FT Wanadoo ONO - Mundivía. 	
Particularities		